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**FEDERAL COMMUNICATIONS COMMISSION**

**[WC Docket Nos. 10-90 and 05-337; DA 12-639]**

**Wireline Competition Bureau Announces Support Amounts for Connect America Fund Phase One Incremental Support**

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice; solicitation of comments.

**SUMMARY:** In this document, the Wireline Competition Bureau (Bureau), identifies the data sources it relied on and announce support amounts for CAF Phase I incremental support for 2012.

**DATES:** Carriers must file notices stating the amount of support each wishes to accept, and the areas by wire center and census block in which the carrier intends to deploy broadband, or stating that the carrier declines incremental support for 2012, no later than **July 24, 2012**.

**ADDRESSES:** You may submit notices stating the amount of support you wish to accept, identified by WC Docket Nos. 10-90 and 05-337, by any of the following methods:

- **Electronic Filers:** Comments may be filed electronically using the Internet by accessing the ECFS: <http://fjallfoss.fcc.gov/ecfs2/>.
- **Paper Filers:** Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
- **People with Disabilities:** To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (tty).

**FOR FURTHER INFORMATION CONTACT:** Joseph Cavender, Wireline Competition Bureau at (202) 418-1548 or TTY (202) 418-0484.

**SUPPLEMENTARY INFORMATION:**

1. The USF/ICC Transformation Order and FNPRM, 76 FR 76623, December 8, 2011,

comprehensively reformed and modernized the universal service and intercarrier compensation systems. Among other things, the Commission established a transitional mechanism to distribute high-cost universal service support to price cap carriers, known as the Connect America Fund Phase I (CAF Phase I). In addition to freezing existing high-cost support for price cap carriers, the Commission adopted a process to distribute up to \$300 million of additional, incremental support in 2012 among such carriers to advance broadband deployment. The Commission delegated to the Wireline Competition Bureau (Bureau) the task of performing the calculations necessary to determine support amounts and selecting the necessary data.

2. In an earlier Notice, 77 FR 9653, February 17, 2012, we sought comment on wire center data submitted by Windstream Communications that the carrier proposed we use for CAF Phase I. We also sought data for areas for which Windstream had not submitted data and sought comment on alternate approaches to generating sufficiently reliable data for such areas. In addition, because only the wire centers of price cap carriers and their affiliates would be relevant to the distribution of incremental high cost support; we sought comment on a proposed list of wire centers to include in our analysis. In a subsequent letter, we identified various additional data sources we might rely on. In this Notice, we identify the data sources we rely on and announce support amounts for CAF Phase I incremental support for 2012.

3. For wire centers in the contiguous territory of the United States plus Hawaii, we use the data submitted by Windstream. US Telecom, on behalf of nine holding companies of price cap carriers serving that area, filed comments supporting the use of those data, and provided a detailed explanation of the commercially available sources relied upon and the statistical techniques used to generate the data. No party objected to the use of such data.

4. For Alaska, we use data submitted by Alaska Communications Systems Group, Inc. for

its wire centers in that state, which it developed using both internal and commercially available resources. No party objected to the use of those data.

5. For the Commonwealth of the Northern Marianas, we use mapping data and business count data submitted by Micronesian Telecom for its wire centers in that territory. No party objected to the use of those data. In addition, for household counts, we use Geolytics estimates data. For road feet, we use US Census TIGER data. We allocate census block data to wire centers based on the mapping data submitted by the carrier. We calculate business counts for each census block using data supplied by the carrier in conjunction with an estimation technique intended to ensure that the carrier is not deprived of the opportunity to receive incremental support solely because we lack adequate data.

6. For the United States Virgin Islands, we use mapping data submitted by the Virgin Islands Telephone Company (Vitelco). No party objected to the use of those data. In addition, for household counts, we use Geolytics estimates. For road feet, we use US Census TIGER data. For business counts, we use data from the CostQuest Broadband Availability Tool. We allocate census block data to wire centers based on the mapping data submitted by the carrier.

7. No party submitted data for Puerto Rico. For our analysis, we use mapping data from TomTom (formerly Tele Atlas North America). For household counts, we use Geolytics estimates. For business counts, we use data from the CostQuest Broadband Availability Tool. For road feet, we use US Census TIGER data.

8. In addition, we adopt the following data sources for the lists of wire centers of price cap carriers and their affiliates to be included in our analysis. For the contiguous territory of the United States plus Hawaii, we use the list of wire centers submitted by US Telecom, which filed on behalf of the price cap carriers serving those areas. For Puerto Rico, we use the list of wire centers included in the CostQuest Broadband Availability Tool data. For all other areas, we use wire center information

provided by the price cap carrier providing service in that area.

9. Using these data, allocated support amounts for 2012, by holding company, are as follows.

<u>Company</u>	<u>Support Amount</u>
Alaska Communications Systems	\$ 4,185,103
AT&T	47,857,148
CenturyLink	89,904,599
Cincinnati Bell	0
Consolidated Communications	421,247
Fairpoint Communications	4,856,858
Frontier Communications	71,979,104
Hawaiian Telcom	402,171
Virgin Islands Telephone Co. (Vitelco)	255,231
Micronesian Telecommunications	0
Puerto Rico Telephone Company	0
Verizon	19,734,224

Windstream Communications	60,404,310
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10. No later than 90 days after release of this Notice, carriers must file notices stating the amount of support each wishes to accept, and the areas by wire center and census block in which the carrier intends to deploy broadband to meet its obligation, or stating that the carrier declines incremental support for 2012. We encourage carriers to file their notices in advance of the deadline. Copies of such notices must be filed with the Commission, USAC, the relevant state or territorial commissions, and any affected Tribal government.

11. Pursuant to the rules established by the Commission in the Order, carriers must deploy broadband to a number of unserved locations equal to the amount of incremental support each accepts, divided by \$775. Carriers accepting incremental support must certify that deployment funded through CAF Phase I incremental support will occur in areas shown as unserved by any other carrier on the National Broadband Map, and that, to the best of the carrier's knowledge, the locations to be served are, in fact, unserved. Carriers must further certify that the carrier's current capital improvement plan did not already include plans to complete broadband deployment within the next three years to the locations to be counted to satisfy the deployment obligation, and that incremental support will not be used to satisfy any merger commitment or similar obligation. Carriers must complete deployment to two-thirds of the required number of locations within two years of the date they accept support, and to all required locations within three years.

12. Paperwork Reduction Act. This document contains modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. It was submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the PRA. OMB, the general public, and other Federal agencies were invited to comment on the modified

information collection requirements contained in this proceeding. OMB approved the requirements on April 16, 2012.

13. Congressional Review Act. The Commission will send a copy of this notice to Congress and the Government Accountability Office pursuant to the Congressional Review Act.

14. Final Regulatory Flexibility Certification. The Regulatory Flexibility Act (RFA) requires that agencies prepare a regulatory flexibility analysis for notice-and-comment rulemaking proceedings, unless the agency certifies that “the rule will not have a significant economic impact on a substantial number of small entities.” The RFA generally defines “small entity” as having the same meaning as the terms “small business,” “small organization,” and “small governmental jurisdiction.” In addition, the term “small business” has the same meaning as the term “small business concern” under the Small Business Act. A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA). This Public Notice selects data sources necessary to implement the Connect America Fund Phase I incremental support mechanism adopted by the Commission in the USF/ICC Transformation Order, which provides additional support to price cap carriers to deploy broadband facilities. This Public Notice also notifies carriers of the support for which they are eligible. It does not modify the rules governing the Connect America Fund Phase I incremental support mechanism. Selecting these data sources and publishing eligible support amounts imposes no new burden on any company and has no negative economic impact on any company. Accordingly, we certify that the measures taken herein will not have a significant impact on a substantial number of small entities.

The Commission will send a copy of this Public Notice, including this certification, to the Chief Counsel for Advocacy of the Small Business Administration. In addition, the notice (or a summary thereof) and certification will be published in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION.

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Wireline Competition Bureau.

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